

Economic Stimulus Payments Don't Count for Medicaid

If you have recently received your Economic Stimulus Payment from the federal government and are applying for Medicaid or a Medicare Cost Sharing Program, or are already eligible, then you may be wondering whether this money is now going to be counted against you this year as either additional income or as a resource for Medicaid/Medicare purposes.

Economic Stimulus Act of 2008

For purposes of this article, understand that if you received at least \$3,000 in qualifying income in 2007, then you may or already have received a minimum payment of \$300 or \$600 if you are married and have no net income tax liability in 2007. Your qualifying income that could comprise this \$3,000 would include your social security benefits, retirement, survivor, and disability benefits, but would not include any money you are receiving for SSI (supplemental security income). Are you a Veteran with disability compensation, disability pension and survivor benefits, or receiving Tier 1 Railroad retirement benefits? If you receive these specific types of income, then you may have "qualifying income" for purposes of being eligible to receive an economic stimulus payment. Nevertheless, even if you are qualified to receive an economic stimulus payment, you will need to file a tax return to actually receive your payment even if you elect not to file a return each year because of having a lower tier income.

Medicaid and Medicare Cost Sharing Programs

Accordingly, in Arizona you may recall from previous articles that you can receive Medicaid assistance from the Arizona Long Term Care Services (ALTCSS) as well as assistance with paying your Medicare premiums from four possible Medicare Cost Sharing Programs.

So, for purposes of government entitlement program eligibility, if you receive a Economic Stimulus payment this year and you are either applying for Medicaid or a Medicaid Cost Sharing Program, or you are already eligible, understand that your stimulus payment will not be counted as either income or as a resource.

However, be very careful not to confuse this rule with the variety of extensive rules that govern other types of income that you may receive throughout the year, which quite possibly may include any refund paid to you from the Internal Revenue Service on previously withheld income you earned. Considering that a variety of income rules are applicable to every Medicaid and Medicare Cost Sharing applicant, it is important to consult with an elder law attorney who can assist you in reviewing your case and answering questions you might have. If you are interested in scheduling an appointment with Robert Michael Way, Esq., to discuss these issues, then you may call (928) 783-4575.

Published by:

Deason Law Firm

242 W. 28th Street, Ste. A
Yuma, Arizona 85364

This information is for general purposes only and does not constitute legal advice.



Deason Law Firm
August 2008

Member of NAELA:
National Association of
Elder Law Attorneys



Death and Tragedy

When we think of death, we usually think of it as the result of some tragedy: an auto accident or a natural disaster. However, death often is not a result of tragedy, but rather can be the natural close of one's chapter here on earth. Picture a family gathered around to help a beloved elder pass on. Surely, it is a time for mourning, but also it can be a time for reconciliation and bonding.

However, all too often tragedy occurs after death in the form of family infighting and even litigation over the disposition of the loved one's assets. The popular press is full of stories of celebrities and everyday people whose failure to plan properly has provided fertile soil for disputes, such as Anna Nicole Smith and Howard Hughes even more recently, Heath Ledger.

Here are some of the factors that increase the likelihood of disputes:

- Prior hostility among family members
- Family members from multiple marriages
- Family businesses
- Last minute changes in documents
- Surprises
- Ambiguity in documents

The best way to avoid disputes after death is to eliminate or decrease these factors to the extent possible by:

- Maintaining good relationships in the family.
- Providing for a clear succession plan for the family business.
- Planning ahead to avoid last minute changes.
- Including the whole family in planning so there are no surprises.
- Communicating your wishes to family and other witnesses while you are still alive.

Ambiguities in the documents may be avoided by seeking advice from a qualified estate planning attorney who focuses his or her practice in the field of estate planning. Estate Planning is an exceedingly complicated area with complex concepts. If you want to avoid ambiguities, seek the counsel of an attorney focusing in the area, just as you would go to a brain surgeon for brain surgery.

Finally, if you anticipate a dispute, you could include a "no contest" or "in terrorem" clause which disinherits anyone contesting. Of course, this would not be a deterrent if someone has already been disinherited.

Many of our clients want to minimize the risks for disputes after they are gone. We may not have much control on whether our death is a tragedy, but we do have a great deal of control over whether the tragedy of a family dispute arises after our death.

A Trust is a simple, straightforward method of avoiding probate and the issues that arise because of a lack of planning. If you are interested in a Trust or meeting with Mr. Deason regarding your estate planning needs, call Mary at 783-4575.

Attend our seminar and take a deeper look at the impact of disability for either spouse and the life of the surviving spouse after death; protection for the beneficiaries from divorce, lawsuits, creditor problems, re-marriage and what about mama's pie plate?

Estate Planning is no longer just consistent of the 3Ds: Divide, Distribute and Dissipate.

Effective estate planning is neither a simple one-time event, nor a burdensome, endless task. It isn't restricted to individuals of specific age, profession, income or asset base. However, even those who recognize the value of long-term planning often have more questions than answers.

The Deason Law Firm is here to help. At our informative seminars, you will find out in simple terms how with proper estate planning you can protect against probate, guardianship, creditors and taxes.

Take the first step toward providing financial security for you and your family's future and eliminating the uncertainty and confusion surrounding your estate. **Estate Planning... It's What We Do!**

**Register Today:
783-4575**
**Or online at:
www.deasonlaw.com**

**Thursday, August 14th @
9:30am or 6:30pm**

Held at the Yuma Civic & Convention
Center (East Wing)

This is a complimentary, educational newsletter. If you are NOT interested in receiving this information in the future, please contact Mary at 783-4575.

Deason Law Firm
242 W. 28th Street, Ste. A
Yuma, Arizona 85364
www.deasonlaw.com

PRESPORT STANDARD
U.S. POSTAGE PAID
PERMIT 200
YUMA, AZ. 85364

Estate Planning News: *elder law today*